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Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 AID-05 CEA-01 CIAE-00 COME-00
EB-08 EA-09 FRB-01 INR-07 NEA-10 NSAE-00 USIA-15
OPIC-06 SP-02 TRSE-00 CIEP-02 LAB-04 SIL-01 AGRE-00
OMB-01 L-03 PRS-01 PA-02 /104 W
----------222118 002964 /72-70
R 221656Z FEB 77
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 9116
INFO AMCONSUL ANTWERP
USMISSION OECD PARIS
AMEMBASSY THE HAGUE
USMISSION GENEVA

UNCLAS BRUSSELS 01659

E.O. 11652:N/A
TAGS:EIND,EINV,ELAB,BBAK,BE
SUBJECT: BADGER BELGIUM BANKRUPTCY

REF: (A) BRUSSELS 1418,(B)BRUSSELS 1571

1MEETING REFERRED TO IN PARA 2 REFTEL A WAS HELD ON
SCHEDULE.ACCORDING TO SEVERAL SOURCES,THIS MEETING
WAS " COMPLETE FAILURE". FORMER DIRECTOR OF BADGER
BELGIUM (SMITH)INFORMED EMBASSY THAT BADGER NEGOTIATOR
STEWART CONFIRMED THAT DECISION TO FOLLOW BANKRUPTCY
PROCEDURE IN CLOSING OUT OF BADGER BELGIUM OFFICE AS
TAKEN BY THE U.S HEADQUARTERS.STEWART APPARENTLY
TOLD UNION LEADERS THAT COMPANY FULLY EXPECTED TO " RESPECT
OECD CODE" BUT WAS UNWILLING TO SUPPLY ANY MONEY FROM
CORPORATE HEADQUARTERS TO MEET LOCAL COMPANY'S INDEBTEDNESS.

2.SMITH STATED THAT OF 250 EMPLOYEES IN COMPANY ABOUT
10 PERCENT HAD SO FAR FOUND NEW EMPLOYMENT. THIRTEEN

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MEMBERS OF THE STAFF HAVE MOVED TO BADGER (THE NETHERLANDS).
A FEW HAVE GONE ON TO THE BELGIAN-AMERICAN FIRM,COPPEE-
RUST. SYBETRA,LARGE BELGIAN CONSTRUCTION FIRM,HAS AS
YET TO TAKE ON ANY NEW EMPLOYEES FROM THE BADGER GROUP.
SMITH HIMSELF WILL BE JOINING THE AMERICAN FIRM KING
WILKINSON,INC.

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3.DUTCH- LANGUAGE TELEVISION FEBRUARY 21 CARRIED INTERVIEW OF BELGIAN TRADE UNION LEADERS VAN ALPHEN (FGTB) AND NAVEAU(CSC),AND TUAC REPRESENTATIVE BERNARD.VAN ALPHEN

ALSO DESCRIBED THE FEBRUARY 21 UNION- MANAGEMENT MEETING AS A FAILURE -- A COMPLETE WASTE OF EVERYBODY'S TIME. NAVEAU SAID THAT THE CASE WILL BE TAKEN UP IN THE OECD TO DETERMINE WHETHER BADGER VIOLATED THE MULTINATIONAL CODE OF CONDUCT. BERNARD SAID THAT,IN HIS OPINION,THE PROVISIONS OF THE CODE HAS BEEN VIOLATED BY BADGER; THAT THOUGH NO FORMAL SANCTIONS EXIST,ADVERSE PUBLICITY WOULD HAVE ITS EFFECT.

4.TWO INTERVENTIONS IN BELGIAN CHAMBER OF REPRESENTATIVES FEBRUARY 22 RECOUNTED THE BADGER STORY,CITED THE FAILURE OF THE FEBRUARY 21 UNION- MANAGEMENT MEETING,AND CALLED ON BELGIAN GOVERNMENT REPRESENTATIVES IN THE OECD TO PRESS FOR OBSERVANCE OF THE CODE BY MULTINATIONAL FIRMS OF ENDORSING STATES -- NOTABLY THE U.S.

5.ATTORNEY FOR EMPLOYEES INFORMED EMBASSY THAT SUIT AGAINST VARIOUS OFFICERS,SHAREHOLDERS AND COMPANIES OF BADGER GROUP IS PENDING. INITIAL HEARING IN ANTWERP COURT IS SCHEDULED FOR MAY 11.ATTORNEY SAID THAT HE IS UNDER INSTRUCTIONS TO TAKE NO FURTHER ACTION PENDING OECD CONSIDERATION OF THE CASE IN LATE MARCH. RENNER

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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
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Enclosure: n/a
Executive Order: N/A
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